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DECLERATION OF ORIGINAL WORK

"I admit that this report is my own work except summary and quotes

that only every source I have explained "

Signature :………………………………………..

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DEDICATION

This Research Paper is lovingly dedicated to my respective parents who have been my constant source of inspiration. They have given me the drive and discipline to tackle any task with enthusiasm and determination. Without their love and support this project would not have been made possible.

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ABSTRACT

The user of e-commerce is increasing every day according to the time .We are now in the era of technology. The e- commerce has become more important this is because all activities mostly can be done by using e-commerce. Besides, this evolution helps the business industry. They are now applying the use of internet for the business transaction. When using internet the business transaction become easily and faster because the international transaction can be done just click the button in the internet. This business transaction also is called online shopping. Online shopping is a process of buying a good or service through the internet. Young generation who is a student now days are mostly spent more than hours they time using internet . Student in Universiti Teknikal Malaysia Melaka (UTeM) use internet as they study medium and other activities. Yet the criteria preference that drives them to use online shopping will be seen by using some method. The quantitative method was chosen which is questionnaire and observation. That will help to prove in the end of study about the criteria preference for online shopping among student in UTeM.The criteria that focus in this research is situational factor, trust, and consumer trait.So that the result will explained the criteria that make student in UTeM use internet for buying a good or service. In conclusion, the researcher will be study about over all the respond from the student about the criteria preference for online shopping and this study can answering the research question.

Keywords : *Online shopping, Situational Factor, Trust, Consumer trait.*

ABSTRAK

Pengguna e-dagang semakin meningkat setiap hari mengikut masa. Kita kini dalam era teknologi . E -dagang telah menjadi lebih penting ini adalah kerana semua aktiviti kebanyakannya boleh dilakukan dengan menggunakan e -dagang. Selain itu, evolusi ini membantu industri perniagaan . Mereka kini mengaplikasikan penggunaan internet untuk transaksi perniagaan. Apabila menggunakan internet transaksi perniagaan menjadi mudah dan lebih cepat kerana transaksi antarabangsa boleh dilakukan hanya klik butang di internet. Urus niaga perniagaan juga dipanggil membeli-belah dalam talian. Membeli-belah dalam talian adalah proses membeli barangan atau perkhidmatan melalui internet. Generasi muda yang merupakan seorang pelajar pada masa kini kebanyakannya meluangkan lebih daripada sejam masa mereka dengan menggunakan internet. Pelajar di Universiti Teknikal Malaysia Melaka (UTeM) menggunakan internet sebagai media untuk pembelajaran dan aktiviti lain. Oleh itu, lain keutamaan kriteria yang mendorong mereka untuk menggunakan membeli-belah dalam talian akan dilihat dengan menggunakan kaedah tertentu. Kaedah kuantitatif telah dipilih iaitu soal selidik dan permerhatian   yang akan membantu untuk membuktikan di akhir kajian mengenai keutamaan kriteria untuk membeli-belah dalam talian di kalangan pelajar di UTeM . Kriteria yang diberi tumpuan dalam kjian ini adalah faktor situasi, kepercayaan dan sifat pengguna Supaya hasilnya akan menjelaskan kriteria yang membuat pelajar digunakan UTeM internet untuk membeli barang atau perkhidmatan . Kesimpulannya , penyelidik akan mengkaji mengenai ke atas semua maklum balas daripada pelajar tentang keutamaan kriteria untuk membeli-belah dalam talian dan kajian ini dapat menjawab soalan kajian .

Kata kunci : Membeli belah   dalam talian,Faktor situasi, Kepercayaan, Sifat pengguna

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SYMBOL	DESCRIPTION
B2C	Business to consumer
UTeM	Universiti Teknikal Malaysia Melaka
FPTT	Faculty of Technology Management and Technopreneurship

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Chapter 1

Introduction

1.0 Introduction

Online shopping is an electronic commerce that allow customer to buy good or service from internet. This is a business-to-consumer (B2C).Online shopping is currently popular among people. According to Ko, et al., (2004) Korean and U.S is a countries that lead in use internet to access. The online shopping is like virtual store that show the products which is describe by text, photo and multimedia files. Besides, there is also an extra provided by the seller for example demonstration, safety procedure and specification. Others, in the online store the user can rate for the product appear so this helps the seller to add an additional thing for their product. This situation is unavailable at conventional store.

The advantage for online shopping can see obviously is convenience. People can shop from home and work by using a computer or smart phone. This helps to save time rather than go to the conventional store. Most importantly it operates 24 hours while on the dining table for dinner people still can do an online shopping. People no need to rush to the convenience store on the business hours. The browsing online can be done quickly when you have internet connection. According to Li and Zhang (2002) in typical online shopping if consumer look for merchandise or service internet will be the place to search for the information .Then, when consumer are attracted toward the information of the product they will evaluate and choose the criteria they want. Finally the transaction is happen.

Besides, online shopping prevents you to queues to long when you want to check the items. In addition you need to lift a heavy package to the vehicles. When you do online shopping you just click the button then bank in the money .The seller then will sent it to your how by using post or courier. For example in Malaysia like Pos Laju Malaysia. However there still you can choose either to deliver the merchandise you have bought to you or you collect it from the store .As an online buyer you need to smart to buy an item. Sometimes there is item is cheaper when you buy online due to their smaller size that worthwhile for seller to sell at low price but there is still have an item which bigger size costly rather than you buy at the shop.

In Europe the number of the online shopper is increase. According to Ruyter, et al. (2004) this means that 59 million Europeans use the internet regularly for shopping purposes. However, not only does the number of online shoppers grow, the volume of their purchases also increases over-proportionally. The increase of the number of online shopper is due to the criteria that effected by situation, character or the own product. As we can see now the buyer is not only from the work person but also among student. Student now days prefer something that made them easy and at the same time made them are up to date for example like fashion which this can be buy from online.

1.1 Background of the Study

In this research online shopping is the main point. Online shopping is developed due to the development of network technology. At the same time electronic commerce and e-marketing is also developing. Every day the number of internet user increase especially among young consumer which is the student in university. The increasing number of internet user among younger generation opens an opportunity for online retailers. It will be easier for online retailer if they know the factor or criteria that influence young consumers like student buying behavior so they can develop the marketing strategies and use it to increase the potential of their business.

The internet is one way to do business with lowest cost and it is a biggest shopping mall for global market. According to Paynter and Lim (2001) e-commerce is a potentially growing business for today's market. The traditional boundaries will soon be replaced with a whole new technology as well as a mechanism and media for purchasing goods and services. The electronic payment system provides opportunities for new global and national trading relationships. Doing transaction online will bring many benefits for both companies and consumers. E-commerce eliminates the traditional purchase approach, which is time-consuming and labor-intensive.

1.2 Problem Statements/Research Questions

The increase of internet usage help product and service to expand their sell due to the the growing of number online shop. In Malaysia the online shopping is still under development and continues to growth. The online shopping keep growing due to the certain situational factor that makes consumer prefer to purchase online. Besides that, the trust about the system and different consumer characteristic the make people to use online shop. Therefore important to understand why they choose online to make purchasing. According to Delafrooz (2009) purchase intention is an important determinant of online shopping behavior and represents the best estimates of future available to market researcher. Student is one of the group that use internet however they is still less studies about the criteria's preference for online shopping among student. According to Delafrooz (2009) great significance to find out the factors which influence students' intention to shop online if we want to expand the group of online buyers and the volume of e-commerce.

The objectives of this research can be determined by this research questions

   i)   What are the criteria preference for online shopping

   ii) What are the criteria preferences for online shopping among student in UTeM.

1.3 Research Objectives

The objective of this research was function as reason we do it this study. Any research or study needs to have clear objective to make sure the result will be acceptance. Here have three objectives for this study which is:-

   i)   To determine criteria preference for online shopping

   ii)   To evaluate the criteria preference for online shopping among student in UTeM.

1.4 Scope, Limitations and Key Assumptions of the Study

The scope study for this research can be divided into two scopes. Firstly is about criteria preference for people prefer to shop online. Secondly is about online shopping among student. The student is from UTeM. Student in the UTeM is including undergraduate, postgraduate and diploma. This include student at first year until fourth year for all course at UTeM. However the main focus is undergraduate student at Faculty of Technology Management and Technopreneurship (FPTT) at

Jalan Hang Tuah, Melaka. Mostly the student undergraduate in the FPTT is born around 1986- 2002 which is called Generation Y. Criteria is depend on situation and the consumer trait but most important thing is the trust toward online shopping.

According to Solomon (2011) this generation is jugglers who value being both footloose and connected to their peep 24/7. This mean they like to feel connected to each another. So they are very familiar which online activity. Limitation for this research is that researcher need to study is about online shopping that happen in Malaysia and the criteria influence student UTeM do an online shopping in Malaysia. Online shopping is a bigger field and the respondent is only for UTeM student.

1.5 Significant of the study

The important study of is to find the criteria among student why their doing online shopping.. Besides that, from that we can know the development of online shopping in Malaysia. This give an opportunity to the online retailer to develop their business by analyze the criteria that attract student too do an online shopping.

Chapter 2

Literature Review

2.1 Introduction

Now days the use of internet has widespread and become a medium for buying a good and services. The internet make the work easier which people can make a transaction or shop 24 hours a day at any place. Besides, it provides customer with many choice and they can make faster comparison just click the button and use the browsing agent. In addition, customer can make a conversation. This helps them to exchange ideas, compare and share experiences with people that involve in the online shopping activities.

The increasing of user among young generation in Malaysia gives retailer to expand their business by using internet. According to Alam, S. S., et.al, (2005) the young consumer have their own internet connection at home that that lead then to spent on the internet more than 2 hours. There are many usage of internet that is use by people in their daily life. People use it as for searching information, communication purpose, entertainment, education, pleasure, work and online shopping. According to Alam, S. S., et.al, (2005) more than 60 % never bought any product through online. From 496 respondent 105 have buy product through online.

2.2 Situational factor

Situational factor is a factor where individual reacts for a different condition. This situational factor can affect how buyer behaves or action toward buying attitude. The situational factor is a bigger aspect. The convenience and accessibility is something that people now days seek especially in the era of technology. By having an internet access people can do shopping by click the computer or their smart phone at online retailer.

According to De Ruyter, et al.(2004) consumer can shop on the internet in the comfort of their homes environment, it saves times and effort and they are able to shop any time of day and night. This help for people that work until the night and have little time to shopping using online. According to Wolfinbarger and Gilly (2000) online buyers often said they decided to do online to shop only when they have specific purchase in mind, describing online buying as a consisting largely of planned purchased.

According to Harn, et al.(2006) online shop is open 24 hours than other traditional retailer and this give online shopper convenient to make purchase. According to Cha (2009) people use social networking site because it easy to use and they feel favorable to shopping real item by using social network. Besides that, some people said shopping as a recreational activity.

Besides that, eager to buy something in themselves but unable to do that by traditional stores. So to fulfill their need online shopping is one of the ways those consumers do to achieve it. Others, online shopping are one way to overcome the distance the location of the shop. Then, there are special items that only available at online shop that cannot be found in the conventional stores. According to Harn,et al.(2006) in the internet there are more product choice it provide wider range and selection to choose. Compare to traditional channel it limited to display the product then online.

According to the De Ruyter,et al. (2004) there a case in consumers need to acquired tailored products, like special sized clothing or large sized shoes, that are not available in conventional stores, shopping on the Internet is an option for them to purchase these special item anyhow. However by doing an online shopping the shopper have their limit where they can try, feel, touch, and smell the product their want to buy for example a personal-care product.

Besides, by using internet do shopping it can save cost especially cost go to the place we want to buy or the price of the product. According to Harn,et al.(2006) there is an offer of competitive price in online shop due to the online retailer only face with the shrinking cost of information processing, lower operating and can reach the global easily. Consumers are always looking for cheaper price this is a factor people like to do online shopping.

Attractiveness of alternative is one of the situational factors where people prefer doing online shopping. Even we can say sometimes product that offer in the online is already sell at the convenient store or shop offline but internet have their own attractiveness where some of people like do by online because there have positive attitude toward shopping on the internet. The crowd situation also makes people prefer shop online rather than go to the shop. Too crowd makes people just left the store without buying anything.

. 2.3 Trust in online shopping

Trust is about believed about something where it was built in our self. Trust is one of the aspects that people have to do an online shopping. The consumer need to trust that by clicking the button then look for the content there is a transaction of business happens. In this era of technology the trust toward technology is more stable and increase. However to the new people who still have a little experience they are still at the stage of develop that trust

According to Ko,H., et al (2004) people that no experience toward online shopping will feel the risk rather than who had experience. According to Saprikis,et al. (2012) adopters who is buying and have experienced in using internet because they spend long time and very familiar with technology. Besides the level of trust is difficult to build due to the people unable to check the quality of the product their buy.

According to De Ruyter, et al.(2004) this condition creates a sense of powerlessness among online shoppers. Therefore trust has an important moderating effect on the relationship between consumers attitude toward Internet shopping and intention to shop online. According to Shergill, et al. (2005) consumer risk perception about online shopping are related to the privacy and security of personal information, security of online transaction system and uncertainty of product quality. This is because a consumer cannot check the quality product their want to purchase and to see the safety related to the personal and financial information.

Based on the Ko,H., et al (2004) perceived risk can push to the less confident toward online shopping. Besides that, without seeing for the physical performance of product at the same times their money and the people feedback toward the product can lead to a risk in people. Besides the different product have its own type of risk According to Chang,et al. (2005) it is important to know the impact of trust in online shopping. There is a risk in online shopping which can reduce the trust. The risk is about product and transaction process risk. In the product risk look either the purchase is achieve or satisfy the level of buying goal. Then, for transaction process risk is the level of confident to the information that going in the internet.

Trust is not only between web shop and the buyer but also trust between the buyer and the computer system. Some people have less trust toward computer system because it the process cannot be seen and it is a network system that use technology where it process the information of the buyer. However when there is a security and privacy for the people information it help to build positive attitude toward trust.

According to De Ruyter,et al.(2004) a high level of security and privacy in the online shopping experience has a positive effect on consumer trust, owing to the lowered risk involved with exchanging information. According to Cha (2009) security is a critical factor that will affect the attitude to shopping a real item on social networking but not for shopping virtual item on networking site. The real item is like a good or service that can be buy offline like CD or book while virtual item is like profile layout, avatars, and music which can be used on a specific website. Cheung and Lee (2003) the internet vendor need to play the role for consumer trust by create a trustworthy image.

Besides, trust is important for a successful of online shopping. When the is lack in a trust it is difficult for the consumer to get involve in online shopping and companies to use online as a place for promotion the good. According to Horrigan (2008) internet users attitudes about online shopping are not entirely consistent. They are willing to shop online because it is convenient and a time-saver, but they also do not like sending personal or credit card information over the internet. This show that internet user likes to make shopping with online but do want their personal identity is expose over internet.

According to Saprikis, et al.(2012) non-adopter who is not buying online concern with security and privacy then their need to look the physically of the product first before buy. According to Wang (2001) when the e-retailer has a good reputation in the offline it will help to the customer to trust   due to the offline reputation. However, some of the pure online still can build the trust to customer by having a strong reputation like Amazon.

Besides, the large size of information provided by the e-retailer will become a trust to consumer. Others when the website presentation is interesting can increase the people trust. Then lack of trust can be a treat to consumer to buy at e-retailer. According to Lynch,et al. (2001) the research that is conduct in difference 12 country show that the impact of the trust, affect, and quality is difference toward a difference product.

2.4 Consumer trait

Consumer trait is relates to the personality characteristic . In the individual they have they own personality. Personality is called an emotion or behavior of the individual toward something. Besides, personality is a way of someone response to the environment around him or his. The personality that are relate toward online shopping is use of innovativeness and enjoyment.

The use for innovativeness is one of the trait theories. It is a type of person which likes to use new practices or new service like internet. According to Sahney (n.d) innovativeness as a personality trait reflects how well a person reacts to something that is "new"; this "new" could be a new product or a brand or even a change in the marketing mix. These innovativeness consumers give a big impact toward online shopping.

Now days people prefer to depend on the internet to look for something because it can be done at one place by just by click. According to Hui,et al.(2004) to the extent that consumers are willing to adopt this new medium for product purchase, the Internet will be a useful channel for business to reach out to consumers far and wide. Enjoyment means process of having fun to do something.

According to Oxford Dictionaries, (2013) enjoyment is the state or process of taking pleasure in something. Shopping is rewarding activities to our self because it helps us to release stress after work too much. When doing online it can save our time we no need to go to the places to enjoy every item that is display in the shop. This enjoyment can be rises by the way of a person shopper. When you go the online shop you look for the good that catching our eyes. These make the customer click on the similar product.

Besides, some shopper like to choose branded thing that is still new and latest .When a person is just started to having fun with the internet this will drive to the positive attitude for then to purchase by using internet. Enjoyment is related to pleasure. According to Ruyter, et al. (2004) pleasure is the degree to which a person feels good, joyful, happy or satisfied in online shopping. .According to Wolfinbarger and Gilly (2000) shoppers reported that they feel little pressure to buy online, where offline they are disappointed if they come home empty handed.

According to Menon and Kahn (2002) shopping enjoyment can be an escapism, pleasure, and arousal. Escapism is reflected in the enjoyment that comes from engaging in activities that are attractive, to the point of offering an escape from the demands of the day-to-day world. Pleasure is the extent to which a person feels joyful, happy, or satisfied in online shopping, whereas arousal is the extent to which a person feels stimulated, active or vigilant during the online shopping experience. The pleasant and arousal lead to the future intention to do online shopping.

2.5 Online shopping

Online shopping is one type of medium where people can buy good or make a service. It is an electronic commerce where many seller now days doing a business at the internet. According to Naiyi (2004) online have a uniqueness which it use a technology for transactions without thinking of distant this show the nature of online market environment. In online the consumer must actively interact with the retailer website. The retailer website must carefully observe the hackers or third parties that can threaten the consumer privacy.

The e-Commerce helps Malaysia to enter a new technology and digital era. This acceptance of the technology can be seeing when there are increasing number online user and web shop. According to Li and Huang (2009) in the electronic e commerce online shopping is the new way used in shopping channel.